

GLOSSARY

Account Number - the accounting designation for revenue and expenditure line items. The account number consists of a two-digit fund number, a four-digit division and a five-digit sub-account number. Example: II -4311-121 -00 General Fund Police/Administrative Services - Salaries and Wages.

Ad Valorem Tax – a tax based on the assessed value of real estate or personal property.

Administrative Service Fee - revenue paid to the General Fund by enterprise funds for administrative services provided such as payroll and purchasing.

Annual Budget - a budget covering a single fiscal year (July 1 - June 30).

Appropriation - an authorization made by the legislative body of a government, which permits officials to incur obligations to make expenditures of governmental resources. An appropriation is limited in amount and to the time when it may be expended.

Assessed Value - the value established for real or personal property as determined by the county tax assessor's office and used as the basis for levying property taxes.

Assessment - the process for determining values of real and personal property for taxation purposes.

Balanced Budget - a budget in which the estimated revenues equal the estimated expenditures.

Bond - a written promise to pay a specific amount of money within a specific time period, usually long-term. Bonds are typically issued to fund specific capital improvement expenditures.

Budget - a comprehensive financial plan, which includes estimated revenue and expenditures for a fiscal year. Most local governments have two types of budgets - the *operating* budget and the *capital improvement* budget. N.C. State Statutes mandate a balanced budget for cities.

Budget Calendar – schedule of key dates or milestones which the City follows in preparation and adoption of the annual budget. The budget calendar must comply with the General Statute requirements that a balanced budget be adopted by July 1 of each year.

Budget Message - a letter of transmittal for the proposed budget prepared by the City Manager and addressed to the governing board which addresses the important features of the budget, changes in programs or appropriation levels from previous years and the City Manager's recommendations.

Budget Ordinance - a schedule adopted by the City Council, which lists revenues by source, appropriations by department or fund, and levies taxes for the coming fiscal year.

Capital Outlay - an item expected to have a useful life of greater than one year or an estimated value of \$500 or more. Capital Outlay includes such purchases as heavy-duty equipment, vehicles, computers, or construction materials for small projects.

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Capital Improvement Program (CIP) - a program which proposes the development, modernization or replacement of physical public projects over a multi-year period. The CIP arranges these projects sequentially based on priorities and assigns an estimated cost and method of financing each project.

Capital Project - a project expected to have a useful life greater than three years and an estimated total cost of \$30,000 or more. Capital projects include the construction, purchase or major renovation of buildings, utility systems, streets or other structures, purchase of land, major landscaping projects; and purchase of new motorized equipment.

Challenge-Handshake Authentication Protocol (CHAP) - an authentication scheme used by Point to Point Protocol (PPP) servers to validate the identity of remote clients.

Community Development Block Grant (CDBG) – A Federal domestic assistance grant administered by the US Department of Housing and Community Development (HUD) to develop viable urban communities by providing decent housing and a suitable living environment for persons of low and moderate income.

Contingency - an account in which funds are set aside for unforeseen expenditures which may become necessary during the year and which have not been provided for in the context of the annual operating budget.

Debt Service - payment of interest and repayment of principal to holders of a government's debt instruments (bonds and loans),

Department - a major administrative division of the City, which indicates overall management responsibility for an operation, or a group of related operations within a functional area.

Division - a unit, within a department, which participates in specific activities.

Department of Transportation (DOT) – State of North Carolina agency responsible for maintenance of roadways not directly the responsibility of the City.

Encumbrances - obligations in the form of purchase orders or contracts, which are chargeable to an appropriation and for which a part of the appropriation is reserved (they become expenditures when paid).

Enterprise Fund - a fund established to account for operations financed in a manner similar to private business enterprise. Fees are charged to the consumers (general public) of the service to completely or partially recover the expenses of the operation. The City of Rocky Mount has four enterprise funds: Electric, Gas, Water and Sewer.

Expenditure - the payment of cash on the transfer of property or services for the purpose of acquiring an asset, service or settling a loss.

Fiscal Year (FY) - a twelve-month period of time to which the annual budget applies. The City of Rocky Mount's fiscal year begins July 1 and ends June 30 of the following calendar year as required by state law.

Fixed Asset - tangible property owned by the City having a monetary value of \$500 or greater and a useful life of one year or more.

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Focus Areas –key elements from the Vision Statement for City of Rocky Mount which are grouped to formulate the following four focus areas which are discussed in the Focus Areas and Action Plans section of this budget:

- *Economic Development*
- *Building Relationships*
- *City Services, Organizations, and Infrastructure*
- *Neighborhoods*

Forecast - an estimate of revenue and expenses for the current fiscal year to be used to determine the expected balances at the end of the year.

Fund - an independent fiscal and accounting entity used to record the financial activity for a selected financial grouping. A fund is set up to carry out a special function or attain certain objectives in accordance with set laws and regulations.

Fund Balance - the excess of current assets over the current liabilities for each fund at the end of each fiscal year. A negative fund balance is called a deficit.

General Fund - used to account for the ordinary operations of the City, which are financed, from taxes, other general revenues, contributions, grants, transfers from other funds and reimbursements. Basic government services, such as police, fire, parks and street maintenance are accounted for in this fund.

General Obligation Bonds - a written promise to pay a specified sum of money at a specified date in the future together with periodic interest at a specific rate. It is an obligation of the local government entity guaranteed by the taxing ability of that government unit and usually requires voter approval.

Geographic Information System (GIS) - GIS is a computer-based technology that is used to automate, manipulate, analyze, and display geographic (spatial) data in digital form.

GFOA – Government Finance Officers Association; Government Finance Officers Association – professional association of state/provincial and local finance officers dedicated to the sound management of public funds.

Grant - a contribution of assets (usually cash) by a governmental unit or other organization to another. Typically, these contributions are made to local governments from the state and federal governments. They are usually designated for specific purposes.

Infrastructure - facilities on which the continuance and growth of a community depend, such as roads, water lines, plants, etc.

Intergovernmental Revenues - income received from other governments (state, federal, local), which can be in the form of grants, shared revenues, or entitlements

Lease/purchase agreement - a contract granting use of property or acquisition of equipment during a specified period of time in exchange for a specified amount with an option at the end of that period of time to buy the property.

Levy - the amount of tax, service charges and assessments imposed by a government.

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Life Safety/Emergency Management (LSEM) – division within Fire Department charged with coordinating programs that encompass an overall plan to reduce life and property loss due to fire and emergency incidents through plan reviews, code enforcement, and educational programs.

Line Items - units of budgeted expense set up within each division used to classify expenditures by item or category and establish the permissible level of expenditure for that item.

Modified accrual - the accounting basis used by the City. Under this basis, expenditures are recognized when encumbered and revenues are recognized when they are collected.

National Incident Management System (NIMS) - provides a consistent nationwide template to establish Federal, State, tribal and local governments and private sector and nongovernmental organizations to work together effectively and efficiently to prepare for, prevent, respond to and recover from domestic incidents, regardless of cause, size or complexity, including acts of catastrophic terrorism. NIMS benefits include a unified approach to incident management; standard command and management structures; and emphasis on preparedness, mutual aid and resource management.

Operating budget - a plan of financial operation, which encompasses an estimate of proposed expenditures for the calendar year and the proposed means of financing them (revenues).

Purchase Gas Adjustment (PGA) – rate adjustment policy adopted by Council that enables the adjusting of the customer rate for natural gas usage to be adjusted monthly based on the wholesale purchase price incurred by the gas utility.

Performance Measures – Indicators of performance (i.e., outcome, efficiency, output, customer service, productivity).

Proprietary Funds - funds operated like a business and charging user fees. Enterprise Funds fall within this classification.

Referendum - the presentation of an issue to the voters of the City where a majority of voters decide on the issue.

Revenue - income received by the City from various sources used to finance government or enterprise operations. Examples of revenue include ad valorem taxes, permit fees, interest income and utility charges.

Revenue Assumptions – determinations of revenue trends made utilizing long-standing trends, typically required when minimal present information on revenue influences are available and a quantifiable future outlook is uncertain.

Revenue Bonds - when a government issues bonds, which do not pledge the full faith and credit of the jurisdiction, it issues limited liability revenue bonds. Typically, pledges are made to dedicate one specific revenue source from some future period.

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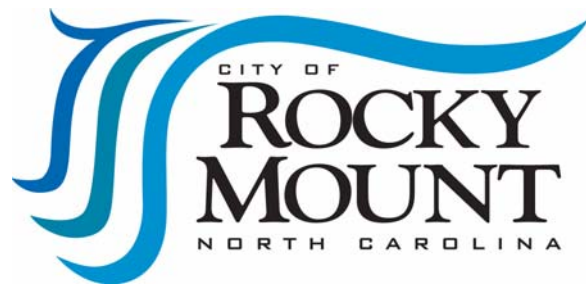
Revenue Estimates - a formal estimate of how much revenue will be earned from a specific revenue source from some future period.

Tax Base - the total assessed valuation of real property within the City limits.

Tax Rate - the amount of tax levied per \$ 1 00 assessed valuations.

User Charges - the payment of a fee for direct receipt of a public service by the person benefiting from the service such as inspection fees, recycling fees and utility reconnection fees. Can also be called user fees.

Winter Assistance for Rocky Mount (WARM) – assists low income customers in paying past due heating expenses. Eligibility is based on household income and an immediate need. The program is funded solely on donations from CRM utility customers, business, organizations, and anyone who would like to help.



STATISTICAL SECTION

Community Information

Year incorporated as a town	1867
Year incorporated as a city	1907

Form of government	Council-Manager
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Population (2007 U.S. Census Population Estimate)	56,844
Population (2008 internal estimate, includes area annexed as of June 30, 2008)	59,350

Public Safety

Number of fire stations	7
Number of police stations	1
Number of police patrol units	58

Public Works

Miles of street	268
Number of street lights	6,957

Recreation & Culture

Number of parks	41
Total park acreage	499
Number of swimming pools	2
Number of tennis courts	37
Number of recreation centers	2

Public Utilities

Miles of electric distribution line	687
Miles of gas distribution line	474
Miles of water mains	360
Maximum daily water capacity	26 million gallons
Average daily consumption	11.3 million gallons
Peak daily water consumption	16.4 million gallons
Storage capacity	11 million gallons
Maximum daily sewer treatment capacity	21 million gallons
Average daily sewer treatment	10.2 million gallons

Non-City Services

Number of hospitals	4
Number of hospital beds	969
Number of 2-year colleges	2
Number of 4-year colleges	2

STATISTICAL SECTION

Financial Information

All information below courtesy of Comprehensive Annual Financial Report; Fiscal Year Ending June 30, 2007;
City of Rocky Mount, North Carolina

Net Assets by Component (Accrual Basis)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Governmental Activities					
Invested in capital assets, net of related debt	75,228,740	66,546,488	76,857,173	81,060,633	81,922,916
Restricted	7,250,811	22,691,297	11,508,838	6,598,151	1,655,857
Unrestricted	20,290,635	15,538,639	16,957,667	18,404,926	24,105,474
Total	\$ 102,770,186	\$ 104,776,424	\$ 105,323,678	\$ 106,063,710	\$ 107,684,247
Business-type Activities					
Invested in capital assets, net of related debt	103,171,226	101,634,397	97,762,992	101,764,488	107,764,319
Restricted	-	-	-	-	-
Unrestricted	8,945,229	12,576,271	20,060,100	20,982,144	22,720,072
Total	\$ 112,116,455	\$ 114,210,668	\$ 117,823,092	\$ 122,746,632	\$ 130,484,391
Primary Government					
Invested in capital assets, net of related debt	178,399,966	168,180,885	174,620,165	182,825,121	189,687,235
Restricted	7,250,811	22,691,297	11,508,838	6,598,151	1,655,857
Unrestricted	29,235,864	28,114,910	37,017,767	39,387,070	46,825,546
Total	\$ 214,886,641	\$ 218,987,092	\$ 223,146,770	\$ 228,810,342	\$ 238,168,638
Change in Net Assets (Accrual Basis)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Total Expenses					
Governmental Activities	52,891,986	49,275,972	54,800,823	51,961,832	50,916,521
Business-Type Activities	103,365,540	111,697,874	113,800,890	126,728,460	126,560,753
Total Primary Government	\$ 156,257,526	\$ 160,973,846	\$ 168,601,713	\$ 178,690,292	\$ 177,477,274
Program Revenues					
Governmental Activities	30,523,641	22,064,953	23,798,162	18,169,297	21,084,147
Business-Type Activities	106,746,798	114,263,433	118,669,719	132,414,174	135,381,606
Total Primary Government	\$ 137,270,439	\$ 136,328,386	\$ 142,467,881	\$ 150,583,471	\$ 156,465,753
Net (Expense)/Revenue					
Governmental Activities	(22,368,345)	(27,211,019)	(31,002,661)	(33,792,535)	(29,832,374)
Business-Type Activities	3,381,258	2,565,559	4,868,829	5,685,714	8,820,853
Total Primary Government	\$ (18,987,087)	\$ (24,645,460)	\$ (26,133,832)	\$ (28,106,821)	\$ (21,011,521)
General Revenues & Other Changes in Net Assets					
Governmental Activities	24,869,706	29,217,257	31,549,915	33,220,048	33,629,804
Business-Type Activities	2,402,074	(471,346)	(1,256,405)	(762,174)	(968,010)
Total Primary Government	\$ 27,271,780	\$ 28,745,911	\$ 30,293,510	\$ 32,457,874	\$ 32,661,794
Change in Net Assets					
Governmental Activities	2,501,361	2,006,238	547,254	(572,487)	3,797,430
Business-Type Activities	5,783,332	2,094,213	3,612,424	4,923,540	7,852,843
Total Primary Government	\$ 8,284,693	\$ 4,100,451	\$ 4,159,678	\$ 4,351,053	\$ 11,650,273

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General Government Expenditures by Function	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
General Government	4,728,897	4,067,463	5,193,166	4,835,449	5,079,691
Public Safety	17,517,771	19,309,118	19,355,436	19,309,388	20,722,995
Public Service	8,475,157	4,621,891	6,604,061	4,991,941	4,944,155
Public Works & Engineering	9,563,720	9,674,571	9,255,068	9,420,560	9,671,295
Parks & Recreation	6,259,778	6,921,175	15,964,655	15,460,432	8,031,056
Emergency Management/Hazard Mitigation	6,935,205	469,501	2,357,187	344,245	-
Community Revitalization	1,432,762	3,008,056	2,702,468	2,690,490	1,823,575
Capital Projects	-	-	-	-	-
Debt Service	2,058,423	2,367,257	2,944,236	3,588,105	3,151,061
Total Expenditures	\$ 56,971,713	\$ 50,439,032	\$ 64,376,277	\$ 60,640,610	\$ 53,423,828

General Government Tax Revenue by Source	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Ad Valorem Taxes	14,453,446	15,096,358	15,410,242	15,471,066	17,489,699
Local Option Sales Tax	6,988,835	7,780,851	8,484,481	8,645,938	9,114,179
Franchise Tax	2,092,717	2,114,785	2,156,778	2,286,691	2,139,942
Telecommunications Tax	674,218	643,218	690,000	649,543	892,825
Beer & Wine Tax	237,060	241,192	248,474	248,713	254,360
Licenses, Permits & Other Taxes	1,014,465	959,509	1,062,447	1,154,278	1,093,244
Total Tax Revenue	\$ 25,460,741	\$ 26,835,913	\$ 28,052,422	\$ 28,456,229	\$ 30,984,249

Total General Government Revenue by Source	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Ad Valorem Taxes	14,520,896	15,166,045	15,480,246	15,539,062	17,557,400
Telecommunications Tax	674,218	643,218	690,000	649,543	892,825
Intergovernmental Revenue	29,970,198	21,628,341	24,313,998	21,788,709	20,734,269
Licenses & Permits	1,014,465	959,509	1,062,447	1,154,278	1,093,244
Sales & Services	6,412,018	6,287,858	5,776,514	7,087,149	7,440,276
Project Revenue	639,197	755,317	953,509	1,956,496	2,248,049
Investment Earnings	386,621	325,595	571,907	953,803	1,137,780
Other Revenue	1,728,282	1,515,686	1,616,700	1,330,516	1,167,288
Total Revenue	\$ 55,345,895	\$ 47,281,569	\$ 50,465,321	\$ 50,459,556	\$ 52,271,131

Assessed & Actual Value of Taxable Property	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Residential - Nash	1,037,986,053	1,054,977,251	1,077,695,549	1,099,957,208	1,143,521,486
Residential - Edgecombe	256,099,724	253,503,275	262,120,334	263,614,376	274,743,466
Commercial - Nash	783,042,111	795,860,032	812,998,397	829,792,280	862,656,560
Commercial - Edgecombe	85,366,575	84,501,092	78,295,684	78,741,957	68,685,867
Personal - Nash	608,893,225	562,746,225	593,586,482	631,198,099	637,625,973
Personal - Edgecombe	114,220,469	104,125,246	101,352,335	86,492,902	64,131,718
Public Service - Nash	26,762,807	32,695,064	36,435,170	36,173,019	36,676,702
Public Service - Edgecombe	56,019,837	47,181,660	49,004,400	42,110,137	39,143,431
Total Taxable Assessed Value	2,968,390,800	2,935,589,845	3,011,488,351	3,069,079,978	3,127,185,203

Estimated Actual Taxable Value*	3,177,764,775	3,176,490,414	3,256,634,332	3,436,851,062	3,646,921,975
Assessed Values as Percentage of Actual	93.41%	92.42%	92.47%	89.27%	85.75%

*The estimated value is calculated by dividing the assessed value by an assessment-to-sales ratio determined by the State Department of Revenue. The ratio is based on actual property sales that took place during the fiscal year.

Note: The last revaluation of property was applied in FY 2002. The next revaluation will apply to FY 2010.

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Direct & Overlapping Property Tax Rates	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
For Edgecombe County Residents					
City of Rocky Mount	0.48	0.50	0.50	0.50	0.55
Edgecombe County	0.91	0.91	0.93	0.93	0.94
Total Direct & Overlapping Rate	1.39	1.41	1.43	1.43	1.49
For Nash County Residents					
City of Rocky Mount	0.48	0.50	0.50	0.50	0.55
Nash County	0.66	0.66	0.66	0.66	0.70
Subtotal	1.14	1.16	1.16	1.16	1.25
Municipal Service District*	0.20	0.20	0.20	0.20	0.20
Total Direct & Overlapping Rate	1.34	1.36	1.36	1.36	1.45

*Municipal Service District applied to part of the Downtown Business District.

	1998		2007	
Principal Property Taxpayers	Taxable Assessed Value	% of City Total	Taxable Assessed Value	% of City Total
Hospira, Inc.	64,605,752	2.68%	130,044,688	4.16%
Cogentrix of Rocky Mount, Inc.	65,570,817	2.72%	46,366,086	1.48%
Carolina Telephone Company	38,547,252	1.60%	41,764,539	1.34%
Centua Bank, Inc.	30,190,949	1.25%	38,167,825	1.22%
Fords Colony at Rocky Mount, LLC	-	0.00%	26,551,403	0.85%
Hendon Golden East, LLC	26,241,651	1.09%	24,514,456	0.78%
Kaba Ilco Corp.	24,011,669	0.99%	20,946,098	0.67%
Honeywell International, Inc.	27,977,630	1.16%	20,000,852	0.64%
Cobb Corners Ltd. Partnership	-	0.00%	16,914,055	0.54%
Carolina Power & Light	-	0.00%	12,761,397	0.41%
American Fiberts & Yarns Co.	28,028,540	1.16%	-	0.00%
Multimedia Cablevision	13,379,049	0.55%	-	0.00%
AT&T	30,444,038	1.26%	-	0.00%
	\$ 348,997,347	14.46%	\$ 378,031,399	12.09%

Property Tax Levies & Collections	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Original Levy for Fiscal Year	14,241,109	14,676,242	15,314,550	15,188,026	17,089,087
Adjustments	277,054	311,585	363,997	456,710	106,282
Total Adjusted Levy	\$ 14,518,163	\$ 14,987,827	\$ 15,678,547	\$ 15,644,736	\$ 17,195,369
Collected within Fiscal Year of Levy	\$ 13,464,833	\$ 14,046,434	\$ 14,652,620	\$ 14,663,915	\$ 16,403,053
Percentage of Levy	92.7%	93.7%	93.5%	93.7%	95.4%
Collections in Subsequent Years	\$ 863,103	\$ 743,651	\$ 811,967	\$ 604,498	\$ -
Total Collections to Date	\$ 14,327,936	\$ 14,790,085	\$ 15,464,587	\$ 15,268,413	\$ 16,403,053
Percentage of Levy	98.7%	98.7%	98.6%	97.6%	95.4%

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Electric Utility Revenue Rates (Fiscal Year-End)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Residential					
Monthly Customer Charge, Single Phase	7.79	8.16	8.26	9.23	9.23
Monthly Customer Charge, Three-Phase	11.15	11.68	11.83	13.22	13.22
Energy Charge/kWh-Summer	0.10	0.11	0.11	0.12	0.11
Energy Charge/kWh-Winter	0.01	0.01	0.01	0.12	0.11
Small General Service					
Monthly Customer Charge, Single Phase	14.85	15.56	15.75	17.60	17.60
Monthly Customer Charge, Three-Phase	11.15	11.68	11.83	13.22	13.22
Energy Charge/kWh-First 750kWh	0.11	0.12	0.12	0.14	0.14
Energy Charge/kWh-Next 1250 kWh	0.09	0.10	0.10	0.11	0.11
Energy Charge/kWh-Over 2000 kWh	0.09	0.09	0.09	0.11	0.11
Medium General Service					
Monthly Customer Charge, Single Phase	14.85	15.56	15.75	17.60	17.60
Monthly Customer Charge, Three-Phase	11.15	11.68	11.83	13.22	13.22
Energy Charge/kWh	0.07	0.07	0.07	0.08	0.08
Large General Service					
Monthly Customer Charge	619.00	656.71	733.82	733.82	733.82
Energy Charge/kWh	0.05	0.05	0.06	0.06	0.06
Coordinated Demand Control Service					
Monthly Customer Charge-Under 1000 kWh	150.00	157.17	157.17	175.63	175.63
Monthly Customer Charge-1000-2500 kWh	550.00	576.30	576.30	643.97	643.97
Monthly Customer Charge-Over 2500 kWh	1,050.00	1,100.22	1,100.22	1,229.41	1,229.41
Energy Charge/kWh	0.04	0.04	0.04	0.04	0.05
Med General Seasonal/Intermittent Service					
Monthly Customer Charge, Single Phase	14.85	15.56	15.75	17.60	17.60
Monthly Customer Charge, Three-Phase	26.00	27.24	27.58	30.82	30.82
Energy Charge/kWh-First 2000 kWh	0.10	0.11	0.11	0.12	0.12
Energy Charge/kWh-Additional kWh	0.08	0.08	0.08	0.10	0.09
Electric Fund Revenues, Expenses, Net Income	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Operating Revenues	68,690,602	70,099,299	69,650,344	78,239,181	82,835,445
Purchased Power	55,041,060	56,464,242	56,336,079	62,244,977	64,760,180
Operating Expenses	12,373,660	12,811,149	11,912,498	11,847,200	12,583,390
Operating Income	\$ 1,275,882	\$ 823,908	\$ 1,401,767	\$ 4,147,004	\$ 5,491,875
Nonoperating Revenues/(Expenses) Net	60,697	358,607	598,235	(155,379)	(226,906)
Income Before Transfers	\$ 1,336,579	\$ 1,182,515	\$ 2,000,002	\$ 3,991,625	\$ 5,264,969
Capital Contributions & Transfers In/(Out) Net	(1,673,704)	(1,729,180)	(946,406)	(1,016,500)	(1,450,000)
Net Income/(Loss)	\$ (337,125)	\$ (546,665)	\$ 1,053,596	\$ 2,975,125	\$ 3,814,969
Ratio of Net Income to Operating Revenue	-0.5%	-0.8%	1.5%	3.8%	4.6%
Electric Fund User Charges	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Residential	31,405,564	31,900,566	31,523,269	36,321,665	37,192,405
Commercial/Industrial	31,980,148	34,008,336	34,013,985	36,775,239	39,477,453
Commercial	3,040,122	2,348,027	2,063,686	2,401,305	2,484,540
Seasonal	120,173	124,267	120,620	134,323	131,543
Other Lights	1,441,351	1,565,850	1,538,190	1,643,964	1,734,325
Total User Charges	\$ 67,987,358	\$ 69,947,046	\$ 69,259,750	\$ 77,276,496	\$ 81,020,266

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Financial Information

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Gas Fund Revenues, Expenses, Net Income	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Operating Revenues	19,385,470	23,085,573	27,087,316	31,684,789	29,526,454
Purchased Gas	13,281,194	15,947,768	20,022,261	26,372,355	22,550,161
Operating Expenses	4,388,581	4,980,597	4,463,489	4,436,476	4,227,627
Operating Income	\$ 1,715,695	\$ 2,157,208	\$ 2,601,566	\$ 875,958	\$ 2,748,666
Nonoperating Revenues/(Expenses) Net	(43,744)	(408,720)	28,994	59,438	69,257
Income Before Transfers	\$ 1,671,951	\$ 1,748,488	\$ 2,630,560	\$ 935,396	\$ 2,817,923
Capital Contributions & Transfers In/(Out) Net	114,465	-	(700,000)	(1,000,000)	(900,000)
Net Income/(Loss)	\$ 1,786,416	\$ 1,748,488	\$ 1,930,560	\$ (64,604)	\$ 1,917,923
Ratio of Net Income to Operating Revenue	9.2%	7.6%	7.1%	-0.2%	6.5%
Gas Fund User Charges	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Residential	11,056,184	12,297,077	14,000,487	16,192,772	14,975,766
Commercial	5,481,151	6,536,227	7,752,418	9,526,806	8,592,738
Industrial	678,990	859,116	819,822	1,150,982	1,102,949
Special	1,984,805	3,187,255	4,307,113	4,455,658	4,565,371
Seasonal	141,540	138,164	204,058	355,708	288,076
Other	42,549	18,843	3,168	2,662	1,554
Total User Charges	\$ 19,385,219	\$ 23,036,682	\$ 27,087,066	\$ 31,684,588	\$ 29,526,454
Water Fund Revenues, Expenses, Net Income	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Operating Revenues	8,375,012	8,617,670	8,788,591	9,514,292	9,512,039
Operating Expenses	7,265,783	7,836,436	7,747,906	8,099,827	8,454,919
Operating Income	\$ 1,109,229	\$ 781,234	\$ 1,040,685	\$ 1,414,465	\$ 1,057,120
Nonoperating Revenues/(Expenses) Net	(396,474)	(392,638)	(242,086)	(231,641)	(147,456)
Income Before Transfers	\$ 712,755	\$ 388,596	\$ 798,599	\$ 1,182,824	\$ 909,664
Capital Contributions & Transfers In/(Out) Net	3,311,234	(133,373)	(600,000)	(330,000)	(350,000)
Net Income/(Loss)	\$ 4,023,989	\$ 255,223	\$ 198,599	\$ 852,824	\$ 559,664
Ratio of Net Income to Operating Revenue	48.0%	3.0%	2.3%	9.0%	5.9%
Water Fund User Charges	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Inside City	6,752,354	6,843,878	7,130,536	7,674,909	7,421,037
Outside City	663,394	717,074	738,940	835,590	858,071
Municipal	782,400	871,724	796,923	818,929	1,044,769
Other	2,296	1,773	2,230	380	-
Total User Charges	\$ 8,200,444	\$ 8,434,449	\$ 8,668,629	\$ 9,329,808	\$ 9,323,877

STATISTICAL SECTION

Financial Information

All information below courtesy of Comprehensive Annual Financial Report; Fiscal Year Ending June 30, 2007;
City of Rocky Mount, North Carolina

Sewer Fund Revenues, Expenses, Net Income	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Operating Revenues	8,989,252	8,623,692	9,213,340	10,311,549	10,601,619
Operating Expenses	8,633,456	8,890,909	9,335,446	9,395,580	9,306,568
Operating Income	\$ 355,796	\$ (267,217)	\$ (122,106)	\$ 915,969	\$ 1,295,051
Nonoperating Revenues/(Expenses) Net	(499,239)	(458,661)	(331,288)	(346,652)	(262,636)
Income Before Transfers	\$ (143,443)	\$ (725,878)	\$ (453,394)	\$ 569,317	\$ 1,032,415
Capital Contributions & Transfers In/(Out) Net	663,944	31,678	-	-	(22,445)
Net Income/(Loss)	\$ 520,501	\$ (694,200)	\$ (453,394)	\$ 569,317	\$ 1,009,970
Ratio of Net Income to Operating Revenue	5.8%	-8.0%	-4.9%	5.5%	9.5%

Sewer Fund User Charges	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Sewer Service	7,008,116	6,770,687	7,578,173	8,111,423	8,386,692
Sewer Surcharge	314,799	384,146	266,046	503,691	134,055
Sewer No Water	373,715	289,774	71,480	61,818	92,025
Wholesale	1,292,647	1,063,778	1,041,481	1,429,185	1,880,219
Other	48,536	33,768	37,325	29,356	29,934
Total User Charges	\$ 9,037,813	\$ 8,542,153	\$ 8,994,505	\$ 10,135,473	\$ 10,522,925

Stormwater Fund Revenues, Expenses, Net Income	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Operating Revenues	-	2,246,746	2,333,267	2,673,764	2,666,750
Operating Expenses	390,467	2,287,496	2,339,776	22,276,002	2,738,985
Operating Income	\$ (390,467)	\$ (40,750)	\$ (6,509)	\$ (19,602,238)	\$ (72,235)
Nonoperating Revenues/(Expenses) Net	-	(650)	17,261	(295,883)	112,552
Income Before Transfers	\$ (390,467)	\$ (41,400)	\$ 10,752	\$ (19,898,121)	\$ 40,317
Capital Contributions & Transfers In/(Out) Net	-	1,301,307	800,000	700,000	510,000
Net Income/(Loss)	\$ (390,467)	\$ 1,259,907	\$ 810,752	\$ (19,198,121)	\$ 550,317
Ratio of Net Income to Operating Revenue	0.0%	56.1%	34.7%	-718.0%	20.6%

Stormwater Fund User Charges	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Residential	-	644,860	639,378	738,551	1,751,733
Multi-Family	-	152,823	159,929	183,921	170,866
Commercial	-	1,449,063	1,533,961	1,751,292	744,151
Total User Charges	\$ -	\$ 2,246,746	\$ 2,333,268	\$ 2,673,764	\$ 2,666,750

STATISTICAL SECTION

Financial Information

All information below courtesy of Comprehensive Annual Financial Report; Fiscal Year Ending June 30, 2007;
City of Rocky Mount, North Carolina

Outstanding Debt Ratios (By Type)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Governmental Activities-Capital Leases	6,907,494	17,435,317	16,519,537	14,828,599	13,760,312
Business-Type Activities					
Water Bonds	5,781,335	4,908,640	4,051,029	3,210,656	2,385,366
Sewer Bonds	7,633,665	6,481,360	5,348,971	4,239,344	3,149,634
Revolving Sewer Loans	-	-	592,893	1,194,328	4,253,610
Capital Leases	3,881,565	3,058,425	9,219,339	8,987,480	7,717,568
Total Primary Government	\$ 24,204,059	\$ 31,883,742	\$ 35,731,769	\$ 32,460,407	\$ 31,266,490
Debt Per Capita	\$ 430.61	\$ 567.97	\$ 634.57	\$ 576.66	\$ 554.72
General Bonded Debt Outstanding	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
General Obligation Bonds	13,415,000	11,390,000	9,400,000	7,450,000	5,535,000
Less Amounts Available in Debt Service Fund	-	-	-	-	-
Total General Bonded Debt Outstanding	\$ 13,415,000	\$ 11,390,000	\$ 9,400,000	\$ 7,450,000	\$ 5,535,000
Debt Per Capita	\$ 238.66	\$ 202.90	\$ 166.94	\$ 132.35	\$ 98.20
Actual Taxable Value of Property	3,177,764,775	3,176,490,414	3,256,634,332	3,436,851,062	3,646,921,975
Percentage of Actual Taxable Value of Property	0.42%	0.36%	0.29%	0.22%	0.15%
Pledged Revenue Coverage - Water & Sewer	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Water					
Operating Revenues (Total including interest)	7,978,538	8,225,032	8,546,505	9,282,651	9,364,583
Operating Expenses	5,766,193	6,359,717	6,549,732	6,811,286	7,265,761
Net Revenue Available for Debt Service	\$ 2,212,345	\$ 1,865,315	\$ 1,996,773	\$ 2,471,365	\$ 2,098,822
Annual Debt Service Requirement	1,188,851	1,136,037	1,083,864	1,028,890	976,830
Percentage Coverage	186.1%	164.2%	184.2%	240.2%	214.9%
Sewer					
Operating Revenues (Total including interest)	8,490,013	8,165,031	8,882,052	9,964,897	10,338,983
Operating Expenses	7,280,712	7,498,657	8,131,250	8,016,527	7,853,047
Net Revenue Available for Debt Service	\$ 1,209,301	\$ 666,374	\$ 750,802	\$ 1,948,370	\$ 2,485,936
Annual Debt Service Requirement	1,569,757	1,500,021	1,431,131	1,358,545	1,289,805
Percentage Coverage	77.0%	44.4%	52.5%	143.4%	192.7%
Demographic & Economic Statistics	2003	2004	2005	2006	2007
City Population (1)	56,209	56,136	56,309	56,290	56,364
Rocky Mount MSA Per Capita Income (2)	\$ 25,245	\$ 26,464	\$ 27,116	\$ 28,579	N/A
Rocky Mount MSA Unemployment Rate (3)	9.5%	8.5%	7.5%	6.7%	6.8%

(1) City of Rocky Mount Planning Department

(2) US Department of Commerce-Bureau of Economic Analysis

(3) NC Employment Security Commission

COMMUNITY PROFILE

History

The settlement of Rocky Mount and its surrounding area began near a Tar River waterfall in what is now the northeastern part of the city. Today those same falls, along with the rocky mound near the fall that gave the city its name, still provide a scenic beauty and historical flavor that attracts visitors from all over the state year after year.

Before the colonists arrived, the rocky mound was a popular hunting ground for the Tuscorora Indians who called the region home as well as other Native Americans who visited from all parts of an area spanning Pennsylvania to Florida. Europeans settled the region quickly between 1734 and 1777, but the first official reference to the name “Rocky Mount” did not appear until 1816 with the establishment of the Post Office near the falls.



View of Rocky Mount Mills from the Tar River

Two years later the state's second cotton mill was constructed drawing its power from the falls and sparking even more growth in the area. This establishment of Rocky Mount Mills was instrumental in enticing the railroad through the village. In March 1840 the trains began to roll through the still present downtown depot. The population reached 300 by 1867 leading to the village's incorporation into a town in February of that year. Then on February 28, 1907, as a result of strong growth in the Rocky Mount tobacco market since the late 1800's, the population topped 7,500 and the town was incorporated into a city. The City enjoyed constant growth over the next twenty years. Then came the challenge of recovering from the Great Depression that made its mark locally in the early thirties. With patient investment in city infrastructure including a new water plant, two new schools, an airport, a city park, and the aggressive pursuit and attainment of a private four year college over the next two decades, Rocky Mount poised itself for economic recovery. The loss of the railroad in 1950 seemed a devastating blow, but the City's economy began to diversify. The original economic catalysts of cotton mills, railroads, and agriculture turned to larger scale textiles and a varied array of manufacturing establishments that would bring back days of expansion not seen since the early 1900's and take the City into the present.

COMMUNITY PROFILE

Economy

Rocky Mount's commercial activity historically centered on the textile and agricultural industries. These established industries continue to contribute to the City's economy while solid growth has taken over in newer technologically advanced commercial areas. Hardee's Food Systems began in Rocky Mount in 1962. Abbot Laboratories (Hospira) and Black and Decker Manufacturing Company opened plants in 1968 and 1970 respectively. AlliedSignal Aerospace Company (Honeywell International, Inc.), Consolidated Diesel Company, and Sara Lee Bakery Company all opened up shop in the 1980's. With a decline in manufacturing jobs in the US, these companies have undergone changes; however, they continue to solidify the Rocky Mount economy while the City constantly keeps economic development and diversification as the highest of priorities.

A growing population, quality educational and training institutions, and an excellent location for commerce all stimulate the diverse economic activity of Rocky Mount. The City presently occupies approximately 37 square miles, straddling the border between Nash and Edgecombe counties, and has a population just over 56,000 making it the fifteenth largest city in North Carolina. Between the 1980 census and the 1990 census Rocky Mount had an 18.7 percent increase in population. Nash and Edgecombe Community Colleges have met the educational needs of the population for the last 25 years by offering courses and providing training in many fields that produce a skilled workforce. North Carolina Wesleyan College, a private liberal arts institution, was founded in 1956 and continues to offer courses and programs to non-traditional students in the area through an Adult Degree Program while also educating its 1600 full-time students from all over the Nation. The location of Rocky Mount provides area companies and firms convenient access to major highways and primary modes of transportation. Situated where Interstate-95, the main north/south thoroughfare on the East Coast, meets U.S.64, Rocky Mount is in the heart of the Eastern Seaboard. Located halfway between New York and Florida, Rocky Mount is also within close driving distance of the Research Triangle Park and the capital cities of North Carolina and Virginia. Easy access to U.S. 264, U.S. 301, and Interstates 40 and 85 put Rocky Mount in very close proximity to an excellent overland transportation system. The Rocky Mount - Wilson airport services the area locally with the Raleigh - Durham International Airport 80 miles west. CSX Transportation, Norfolk-Southern Railroad, and Amtrak all provide rail transportation through Rocky Mount. Three major ports including Wilmington, Morehead City, and Hampton Roads, VA, are also in close proximity.

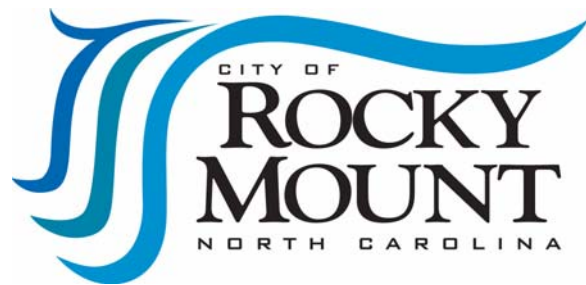


Rocky Mount City Hall

City Government

The Council-Manager form of government has been in place in Rocky Mount since 1927. The Council is the legislative body of City government and includes a Mayor who serves as presiding officer and seven Council members that represent seven wards. The Mayor is the only representative elected by the citizens at-large while each Council member is elected from his or her respective ward. The Mayor and all Council members serve four year terms.

The City of Rocky Mount offers a full range of services. Rocky Mount has been a public power community since 1902. It also owns and maintains its own gas distribution system and water and sewer system. Because Rocky Mount is a public power community, it allows citizens to enjoy an ad valorem tax rate that is one of the lowest in the state for cities with populations of greater than 35,000.



**CITY OF ROCKY MOUNT
2008-09 BUDGET ORDINANCE**

BE IT ORDAINED by the City Council of the City of Rocky Mount:

Section 1. It is estimated the following revenues will be available during the fiscal year beginning July 1, 2008 and ending June 30, 2009 to meet the subsequent appropriations according to the following schedules:

REVENUES

A. GENERAL FUND:

Tax Revenue	\$20,817,160
Intergovernmental Revenues	14,461,610
Licenses & Permits	1,091,400
Sales & Service	8,187,110
Investments	801,000
Miscellaneous	917,920
Transfers from Other Funds	3,050,000
Leases	1,807,800
Fund Balance	<u>2,250,000</u>

Total General Fund \$53,384,000

B. POWELL BILL FUND:

Intergovernmental Revenues	\$2,238,800
Investments	100,000
Sales & Service	21,330
Fund Balance	<u>400,000</u>

Total Powell Bill Fund \$2,760,130

C. E-911 FUND

Intergovernmental Revenue	<u>\$250,000</u>
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Total E-911 Fund \$250,000

D. DEBT SERVICE FUND:

Transfers	<u>\$2,704,030</u>
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Total Debt Service \$2,704,030

E. ELECTRIC FUND:

Sales and Services	\$83,573,500
Investments	450,000
Leases	<u>2,865,000</u>

Total Electric Fund \$86,888,500

F. GAS FUND:	
Gas Sales and Services	\$29,485,000
Investments	272,000
Leases	140,000
Appropriation - Working Capital	<u>550,000</u>
Total Gas Fund	\$30,447,000
G. WATER FUND:	
Water Sales and Services	\$10,731,000
Investments	145,000
Miscellaneous	69,000
Fund Balance Appropriated	<u>560,000</u>
Total Water Fund	\$11,505,000
H. SEWER FUND:	
Sewer Sales and Services	\$11,044,000
Investments	71,000
Miscellaneous	110,000
Leases	<u>4,577,000</u>
Total Sewer Fund	\$15,802,000
I. STORMWATER FUND:	
Utility Sales	\$3,050,000
Intergovernmental Revenues	100,000
Investments	95,000
Interfund Transfer	300,000
Lease Proceeds	<u>855,000</u>
Total Stormwater Fund	\$4,400,000
J. GENERAL CAPITAL PROJECTS FUND:	
Tax Revenue	\$ 68,000
Intergovernmental Revenues	989,600
Sales & Service	261,400
Investments	5,000
Leases	<u>1,585,000</u>
Total General Capital Projects Fund	\$2,909,000
TOTAL ALL FUNDS	<u>\$211,049,660</u>

SECTION 2. The following amounts are hereby appropriated for the operation of the city government and its activities for the fiscal year beginning July 1, 2008 and ending June 30, 2009 according to the following schedules:

APPROPRIATIONS

A. GENERAL FUND:	
Mayor and Council	\$1,398,630
City Clerk's Office	240,360
Community Services	768,840
City Manager's Office	854,240
Human Resources Department	2,232,650
Human Relations Department	272,300
Finance Department	2,246,180
Police Department	12,927,530
Fire Department	9,964,000
Public Works Department	11,373,600
Engineering Department	1,217,800
Planning & Development Department	1,624,680
Parks & Recreation Department	<u>8,263,190</u>
Total General Fund	\$53,384,000
B. POWELL BILL FUND:	
Street Improvements	<u>\$2,760,130</u>
Total Powell Bill Fund	\$2,760,130
C. E-911 FUND:	
E-911 Center Maintenance/Services	<u>\$250,000</u>
Total E-911 Fund	\$250,000
D. DEBT SERVICE FUND:	
Debt Redemption	<u>\$2,704,030</u>
Total Debt Service	\$2,704,030
E. ELECTRIC FUND:	
Electric System Operations	\$ 15,155,990
Purchased Power Cost	65,750,000
Communications Support	767,510
Transfer to Other Funds	1,600,000
Capital Projects	<u>3,615,000</u>
Total Electric Fund	\$86,888,500
F. GAS FUND:	
Natural Gas System Operations	\$ 5,092,000
Purchased Gas Cost	23,275,000
Transfer to Other Funds	1,000,000
Capital Projects	<u>1,080,000</u>
Total Gas Fund	\$30,447,000

G. WATER FUND:	
Water Treatment	\$7,353,680
Water Services	2,136,320
Transfer to Other Funds	350,000
Capital Projects	<u>1,665,000</u>
Total Water Fund	\$11,505,000
H. SEWER FUND:	
Sewage Treatment	\$7,545,000
Sewer Services	3,022,260
Capital Projects	<u>5,234,740</u>
Total Sewer Fund	\$15,802,000
I. STORMWATER FUND	
Administration	\$640,960
Stormwater Operations	2,569,040
Capital Projects	<u>1,190,000</u>
Total Stormwater Fund	\$4,400,000
J. GENERAL CAPITAL PROJECTS FUND:	
General Fund Projects	<u>\$2,909,000</u>
Total General Capital Projects Fund	\$2,909,000
TOTAL ALL FUNDS	<u>\$211,049,660</u>

SECTION 3. There are hereby levied the following rates of tax on each one hundred dollars (\$100) valuation of taxable property, as listed for taxes as of January 1, 2008 for the purpose of raising the revenue as set forth in Ad Valorem Tax Levy, General Fund, as set forth in the foregoing estimates of revenue, and in order to finance the foregoing appropriations:

General Fund (for the general expenses incident to the proper government of the City) -- \$0.58. Such rates of tax are based on an estimated total appraised value of property for purposes of taxation of \$3,350,000,000.

SECTION 4. There are hereby levied the following rates of tax on each one hundred dollars (\$100) valuation of taxable property, as listed for taxes as of January 1, 2008 for the purpose of raising the revenue to finance improvements in Municipal Service District No. 1:

Special Tax (for the general expenses incident to the Municipal Service District No. 1) -- \$0.20. Such rates of tax are based on an estimated total appraised value of property for purposes of taxation of \$34,200,000.

SECTION 5. That the budget incorporates the authority of the Utilities to charge governmental services of the City of Rocky Mount cost based utility rates.

SECTION 6. That this budget is adopted in accordance to Section 6 of Administrative Policy III.3 with respect to Utility Fund Transfers.

SECTION 7. That the Intergovernmental Service Fund for the Employee Health Insurance program has a financial plan with revenues of \$4,500,000 and expenditures of \$4,500,000.

SECTION 8. That the City Manager is authorized to transfer funds within the various funds but any transfer from one fund to another shall require approval of the City Council.

SECTION 9. That copies of this ordinance shall be furnished to the Director of Finance to be kept on file by her for her direction in the disbursement of City funds.

Introduced:

Adopted:

Jean M. Bailey
City Clerk

